

Message Text

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PAGE 01 QUITO 03571 172320Z

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E.O. 11652: GDS

TAGS: OVIP, EC (KISSINGER, HENRY A.)

SUBJECT: POSSIBLE VISIT OF SECRETARY KISSINGER TO ECUADOR: PRESS
QUESTIONS

REF: A) STATE 120624 B) STATE 108213

1. FOLLOWING ARE Q. AND A. REQUESTED REFTEL.

Q: WHY ARE ECUADOR AND VENEZUELA DISCRIMINATED AGAINST BY
EXCLUSION FROM THE GENERALIZED SYSTEM OF PREFERENCES IN
THE US TRADE ACT OF 1974?

A: THE OIL EMBARGO OF 1973 AND THE SHOCK OF THE QUADRUPLICATION
OF OIL PRICES BROUGHT ABOUT THROUGH THE OPEC CARTEL MADE
IT APPEAR TO THE US CONGRESS THAT OPEC COUNTRIES DID NOT
NEED TO BE GRANTED TRADE PREFERENCES AVAILABLE TO THOSE
LESSER DEVELOPED COUNTRIES THAT DO NOT EXPORT OIL. NONE-
THELESS, THE ADMINISTRATION OF PRESIDENT FORD, AND I
INCLUDE MYSELF, HAVE ADVOCATED BEFORE THE CONGRESS THE
ELIMINATION OF THIS DISCRIMINATION AS IT RELATES TO ECUADOR.

Q: HASN'T THE US COME AROUND TO THE ECUADOREAN POINT
OF VIEW TO THE 200-MILE LIMIT?

A: THE US CONGRESS RECENTLY PASSED AND THE PRESIDENT
CONFIDENTIAL

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PAGE 02 QUITO 03571 172320Z

SIGNED INTO LAW A MEASURE THAT WILL EXTEND US CON-

TROL OVER CERTAIN RESOURCES OUT TO 200 MILES. THE US, LIKE ECUADOR, THUS RECOGNIZES THE RIGHT AND DUTY OF THE COASTAL STATE TO PROTECT AND CONTROL THE EXPLOITATION OF THESE RESOURCES. THE ECUADOREAN ROLE IN THE INTERNATIONAL LAW OF THE SEA CONFERENCE IS WELL KNOWN AND HIGHLY RESPECTED. ECUADOR HAS HAD A GREAT INFLUENCE ON ONE OF THE MOST IMPORTANT NEGOTIATIONS IN HISTORY.

Q: IN THE LAST FISHING SEASON, US FISHING BOATS PURCHASED LICENSES TO FISH IN ECUADOREAN WATERS. DOES THIS MEAN THAT THE US HAS ACCEPTED THE ECUADOREAN CONCEPT OF TERRITORIAL SEAS?

A: THE US GOVERNMENT HAS TAKEN PUBLICLY A NEUTRAL POSITION, LEAVING THE DECISION ON WHETHER TO PURCHASE A LICENSE UP TO THE FISHERMEN, WHILE TRYING TO SOLVE OUR JURIDICAL DIFFERENCES THROUGH MULTI-NATIONAL NEGOTIATIONS.

Q: WHAT IS THE US GOVERNMENT VIEW ON THE NATIONALIZATION OF AMERICAN PETROLEUM COMPANIES?

A: THE US IS PROUD THAT AMERICAN COMPANIES HAVE BEEN ABLE TO PARTICIPATE IN, AND CONTRIBUTE TO, THE DEVELOPMENT OF ECUADOR'S NATURAL RESOURCES IN A WAY THAT HAS ENABLED THIS COUNTRY TO GREATLY ACCELERATE ITS DEVELOPMENT. NEVERTHELESS, THE US GOVERNMENT PLAYED NO ROLE IN ESTABLISHING THE RELATIONSHIPS THAT EXIST BETWEEN THE COMPANIES AND THE GOVERNMENT OF ECUADOR. IF THAT RELATIONSHIP WERE TO CHANGE, AND WE HAVE NO INFORMATION THAT IT WILL, THE US POSITION ON NATIONALIZATION IS WELL KNOWN. WE RECOGNIZE THE RIGHT OF A STATE TO NATIONALIZE A US PRIVATE INVESTMENT FOR PUBLIC PURPOSES SO LONG AS THERE IS PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION.

Q: WHY DOES THE USG OPPOSE RUMANIAN PARTICIPATION AND ASSISTANCE TO THE ECUADOREAN PETROLEUM INDUSTRY?

A: THE USG DOES NOT OPPOSE RUMANIAN PARTICIPATION OR HELP
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PAGE 03 QUITO 03571 172320Z

IN THIS FIELD. THIS IS A QUESTION THE ECUADOREAN PEOPLE AND THEIR GOVERNMENT MUST DETERMINE.

Q: HOW DOES THE USG VIEW ECUADOR'S PRESENT EFFORTS TO RETURN TO A DEMOCRATIC GOVERNMENT?

A: THIS IS, OF COURSE, A MATTER FOR THE ECUADOREAN PEOPLE. OUR PREFERENCE FOR A DEMOCRATIC AND CONSTITUTIONAL

GOVERNMENT IS WELL KNOWN. WE CAN ONLY VIEW WITH
SATISFACTION THE ANNOUNCED COMMITMENT OF THE ECUADOREAN
MILITARY GOVERNMENT TO RETURN THE COUNTRY TO CONSTI-
TUTIONAL GOVERNMENT AND THE STEPS IT IS TAKING TO THIS
END.

2. IN ADDITION, THERE MAY ARISE QUESTIONS ON US POLICY UNRE-
LATED DIRECTLY BUT OF INTEREST TO ECUADOR. THESE ARE
MOST LIKELY TO HAVE REFERENCE TO PANAMA CANAL NEGOTIATIONS,
CUBA AND ANGOLA, THE OAS MEETING ITSELF, AND THE EFFECT
OF US ELECTIONS ON OUR REGIONAL POLICY. THE EMBASSY IS
NOT COMPETENT TO PROPOSE REPLIES TO SUCH QUESTIONS.
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